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IC 75-1313

10 January 1975

MEMORANDUM FOR: General Wilson

SUBJECT: Review of Perspectives for Intelligence
1975-1980

1. PRD recommends that a new Perspectives paper be produced-- on the grounds that the July 1974 version appears too bland in the light of world developments during 1974. The revised paper would, in our view, involve major changes to the existing Part I, some change of emphasis in Part II, and little if any change to Part III.

2. A rereading of the Perspectives paper six months after its publication suggests to us that we seriously underestimated at that time the significance and implications of the quadrupling by OPEC of the price of oil. Neither that fact nor OPEC itself is mentioned in the paper, and nothing is said about the political implications of that traumatic event for European political stability, the Arab/Israeli issue, or detente. The paper talks in generalities, as, for example, in paragraph 1 of Part I:

"The changing balance between the world's supply of and demand for natural resources will strain the world's political, economic, and social institutions. Thus the US will be confronted not only with the steady-state Soviet threat to US national interests but turbulence in other world relationships as well."

3. Aside from the use of such generalizations as "changing balance" and "turbulence," the two sentences suffer from two other weaknesses. The strains and confrontations are here and now, not at some vague time in the future. And they are intimately tied to the Soviet threat, not a condition more or less unrelated to it as implied by the second sentence.

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4. We suggest that something along the following lines would provide better perspective of the kind of world we're heading into over the next five years:

"Assumption by the OPEC countries of near-monopoly control of the free world's oil resources has already critically strained the economies of most of the world's industrial nations and the fabric of international finance and trade, while leaving the communist powers relatively unaffected. These strains are helping to undermine the political stability and traditional foreign orientation of many nations. NATO cohesiveness is in jeopardy. US ability to influence events in Europe, the Middle East, or almost anywhere in the world has been reduced. The impact of these developments on the balance of power between the US and USSR cannot be clearly perceived; at a minimum the USSR will be provided tempting opportunities to expand its influence in world affairs at the expense of the US."

5. The rest of Part I suffers, in our view, from the same kind of imprecision noted above. In its effort to provide a comprehensive view of world developments, it slights the critical areas. Paragraph 4 on Western Europe appears particularly weak. And to say that the Arab/Israeli confrontation "will continue to be a matter of concern to the international community" strikes us as an egregious understatement.

6. Parts II and III appear to hold up well, although we think Part II might place greater emphasis on the political implications of economic developments. Note, for example, that paragraph 7 omits NATO and the Arab/Israeli dispute as "major problems which will be ... the subject of dispute or negotiation...."

/s/

Chief, PRD/IC

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